

LOCKERT & REYNOLDS'

HOLIDAY

ANNOUNCEMENT.

We this year offer a beautiful line of Goods suitable for

Christmas, New Year, Birthday

OR WEDDING PRESENTS.

We cordially invite every one to call and see our display. Nothing ever shown here before can begin to compare with it.

We have bought

Direct of Manufacturers and Publishers,

And can safely say we have

BOTTOM PRICES

At least. Call and see for yourself.

Respectfully,

LOCKERT & REYNOLDS,

19 FRANKLIN STREET.

THE MESSAGE.

President Cleveland's Recommendation to Congress.

HIS TALK ON THE TARIFF.

THE SURPLUS IN THE TREASURY THE ONE SUBJECT.

He Holds Congress Responsible for the Large Surplus, and Says That By Next June There Will Be One Hundred and Forty Million Dollars in the Treasury.

To the Congress of the United States.  
You are confronted at the threshold of your legislative duties, with a condition of the National finances which imperatively demands immediate and careful consideration. The amount of money annually exacted through the operation of present law, from the industries and necessities of the people largely exceeds the sums necessary to meet the expenses of the government. When we consider that the theory of our institutions guarantees to every citizen the full enjoyment of the fruits of his industry and enterprise, with only such deduction as may be his share towards the careful and economical maintenance of the government which protects him, it is plain that the exaction of more than this is indispensable extortion and a culpable betrayal of American fairness and justice. This wrong inflicted upon those who bear the burden of National taxation, like other wrongs, multiplies a brood of evil consequences.

The public treasury which should only exist as a conduit, conveying the people's tribute to its legitimate objects of expenditure, becomes a hoarding place for money needlessly withdrawn from trade and the people's use, thus crippling our National energies, suspending our country's development, preventing investment in productive enterprise, threatening financial disturbance, and inviting schemes of public plunder. This condition of our treasury is not altogether new; and it has more than once of late been submitted to the people's representatives in the congress, who alone can apply a remedy. And yet the situation still continues, with aggravated incidents, more than ever, presaging financial confusion and wide-spread disaster. It will not do to neglect this situation, because its dangers are not now palpably imminent and apparent. They exist now the less certainly, and await the unforeseen and unexpected occasion when suddenly they will be precipitated upon us.

On the 30th day of June, 1887, the excess of revenues over public expenditures after complying with the annual requirement of the sinking fund act, was \$17,552,735.84; during the year ended June 30, 1886, such excess amounted to \$40,445,545.20; and during the year ended June 30, 1887, it reached the sum of \$55,567,840.54.

The annual contributions to the sinking fund during the three years above specified amounting in the aggregate to \$134,053,320.94 and deducted from the surplus as stated, were made by calling in for that purpose outstanding three-per-cent. bonds of the government. During the six months prior to June 30, 1887, the surplus revenue had grown so largely repeated accumulations, and it was feared the withdrawal of this great sum needed by the people would so affect the business of the country that the sum of \$70,000,000 of such surplus was applied to the payment of the principal and interest of the three-per-cent. bonds still outstanding and which were then payable at the option of the government. The precarious condition of financial affairs among the people still needing relief, immediately after the 30th day of June, 1887, the remainder of the three-per-cent. bonds then outstanding, amounting with principal and interest to the sum of \$18,877,500 were called in and applied to the sinking fund contributions or the current fiscal year.

Notwithstanding these operations of the treasury department representatives of distress in business circles not only continued, but increased and absolute peril seemed at hand. In these circumstances the contribution to the sinking fund for the current fiscal year was at once completed by the expenditure of \$37,024,293.55 in the purchase of government bonds, not yet due, bearing 4 and 4 1/2 per cent. interest, the premium paid thereon averaging about 24 per cent. for the former, and 8 per cent. for the latter. In addition to this the interest accruing during the current year upon the outstanding bonded indebtedness of the government was to some extent anticipated, and banks selected as depositories of public money were permitted to somewhat increase their deposits.

While the expedient thus employed to release to the people the money lying idle in the treasury, served to avert immediate danger, our surplus revenues have continued to accumulate, the excess for the present year amounting on the 1st day of December to \$55,378,701.19, and estimated to reach the sum of \$118,000,000 on the 30th of June next, at which date it is expected that this sum, added to prior accumulations, will swell the surplus in the treasury to \$140,000,000. There seems to be no assurance that, with such a withdrawal from use of the people's circulating medium, our business community may not, in the near future, be subjected to the same distress which was quite lately produced from the same cause, and while the functions of our National treasury should be few and simple, and while its best condition would be reached, I believe, by its entire disconnection with private business interests, yet, when, by a perversion of its purposes, it idly holds money uselessly subtracted from the channels of trade, there seems to be reason for the claim that some legitimate means should be devised by the government to restore in an emergency, without waste or extravagance, such money to its place among the people.

If such an emergency arises there now exists no clear and undoubted executive power of relief. Heretofore the redemption of three-per-cent. bonds which were payable at the option of the government, has afforded a means for the disbursement of the excess of our revenues; but these bonds have all been retired, and there are no bonds outstanding the payment of which we have the right to insist upon. The contribution to the sinking fund, which furnished the occasion for expenditure in the purchase of bonds has been already made for the current year, so that there is no outlet in that direction.

In the present state of legislation the only pretense of any existing executive power to restore, at this time, any part of our surplus revenues to the people by its expenditure,

consists in the supposition that the secretary of the treasury may enter the market and purchase the bonds of the government not yet due at a rate of premium to be agreed upon. The only provision of law from which such a power could be derived is found in an appropriation bill passed a number of years ago; and it is subject to the suspicion that it was intended as temporary and limited in its application instead of conferring a continuing discretion and authority. No condition ought to exist which would justify the grant of power to a single official, upon his judgment of its necessity, to withhold from or release to the business of the people, in an unusual manner, money held in the treasury and thus affect at his will the financial situation of the country; and if it is deemed wise to lodge in the secretary of the treasury the authority in the present juncture to purchase bonds, it should be plainly vested and provided as far as possible with such checks and limitations as will define this official's right and discretion and at the same time relieve him from undue responsibility.

In considering the question of purchasing bonds as a means of restoring circulation the surplus money accumulating in the treasury, it should be borne in mind that premiums must of course be paid upon such purchases, and that there may be a large part of these bonds held as investment which cannot be purchased at any price, and that combinations among holders who are willing to sell, may unreasonably enhance the cost of such bonds to the government.

It has been suggested that the present bonded debt might be refunded as a less rate of interest, and the difference between the old and new security paid in cash, thus finding use for the surplus in the treasury. The success of this plan, it is apparent, must depend upon the volition of the holders of the present bonds; and it is not entirely certain that the inducement which must be offered them would result in more financial benefit to the government than the purchase of the bonds, while the latter proposition would reduce the principle of the debt by actual payment instead of extending it.

The proposition to deposit the money held by the government in banks throughout the country for use by the people, it seems to me, exceedingly objectionable in principle, as establishing too close a relationship between the operations of the government treasury and the business of the country, and too extensive a commingling of their money, thus fostering an unnatural reliance in private business upon public funds. If this scheme should be adopted it should only be done as a temporary expedient to meet an urgent necessity. Legislative and executive effort should generally be in the opposite direction, and should have a tendency to divorce as much and as fast as can safely be done, the treasury department from private enterprise. Of course it is not expected that unnecessary and extravagant appropriations will be made for the purpose of avoiding the accumulation of any excess of revenue. Such expenditure, besides the demoralization of all just conceptions of public duty which it entails, stimulates a habit of reckless improvidence not in the least consistent with the mission of our people on the high and beneficent purposes of our government. I shall deem it my duty to thus bring to the knowledge of my countrymen, as well as to the attention of their representatives charged with the responsibility of legislative relief, the gravity of our financial situation. The failure of the congress heretofore to provide against the dangers which it was quite evident the very nature of the difficulty must necessarily produce, caused a condition of financial distress and apprehension since your last adjournment, which taxed to the utmost all the authority and expedient within executive control; and those appear now to be exhausted. If disaster results from the continued inaction of congress, the responsibility must rest where it belongs.

Though the situation thus far considered is fraught with danger, which should be fully realized, and though it presents features of every kind to the people, as well as peril to the country, it is but a result growing out of a perfectly palpable and apparent cause, constantly reproducing the same alarming circumstances—a congested National treasury and a depleted monetary condition in the business of the country. It need hardly be stated that while the present situation demands a remedy, we can only be saved from a like predicament in the future, by the removal of its cause. Our scheme of taxation by means of which this needless surplus is taken from the public treasury, consists of a tariff or duty levied upon imports from abroad and internal taxes lived on the consumption of tobacco and spirituous and malt liquors.

It must be conceded that none of the things subjected to internal revenue taxation are, strictly speaking, necessities; there appears to be no just complaint of this taxation by the consumers of these articles, and there seems to be nothing so well able to bear the burden without hardship to any portion of the people. But our present tariff laws, the vicious, inequitable and illogical source of unnecessary taxation, ought to be at once revised and amended. These laws as their primary and plain effect, raise the price to consumers of all articles imported and subject to duty, by precisely the sum paid for such duties. Thus the amount of the duty measures the tax paid by those who purchase for use these imported articles. Many of these things, however, are raised or manufactured in our own country, and the duties now levied upon foreign goods and products are called protection to these home manufacturers, because they render it possible for those of our people who are manufacturers to make these taxed articles and sell them for a price equal to that demanded for the imported goods that have paid customs duty.

So it happens that while comparatively a few use the imported articles millions of our people who use and never saw any of the foreign products, purchase and use things of the same kind made in this country, and pay therefor nearly or quite the same price which the duty adds to the imported articles. Those who buy imports pay the duty charged thereon into the public treasury, but the great majority of our citizens who buy domestic articles of the same class, pay a sum at least approximately equal to this duty to the home manufacturer. This reference to the operation of our tariff laws is not made by way of instruction, but in order that we may be constantly reminded of the manner in which they impose a burden on those who consume domestic products, as well as those who consume imported articles, and thus create a tax upon all our people.

It is not proposed to entirely relieve the country of this taxation; it must be extensively continued as the source of the government's income; and in a readjustment of our tariff the interests of American labor engaged in manufacture should be carefully considered as well as the preservation of our manufacturers. It may be called protection, or by any other name, but relief from the hardships and dangers of our present tariff law should be devised with especial precaution against impeding the existence of our manufacturing interests. But this interest should not mean a condition, which without regard to the public welfare or a National emergency, must always insure the realization of immense profit instead of moderately pro-

fitable returns. As the volume and diversity of our National activities increase new results are added to those who desire a continuation of the new advantages which they conceive the present system of tariff taxation directly offered them.

So stubbornly have all efforts to reform the present condition been resisted by those of our fellow-citizens thus engaged that they can hardly complain of the suspicion, entertained to a certain extent that there exists an organized combination all along the line to maintain their advantage. We are in the midst of centennial celebrations and with becoming pride we rejoice in American skill and ingenuity in American energy and enterprise, and in the wonderful natural advantages and resources developed by century's National growth. Yet when an attempt is made to justify a scheme which permits a tax to be laid upon every consumer in the land for the benefit of our manufacturers, quite beyond a reasonable demand for governmental regard, it smites the purposes of advocacy to call our manufactures infant industries still needing the highest and greatest degree of favor and fostering care that can be wrung from federal legislation. It is also stated that the increase in the price of domestic manufactures resulting from the present tariff is necessary in order that higher wages may be paid to our workmen employed in manufacturing, than are paid for what is called the pauper labor of Europe.

All will acknowledge the force of an argument which involves the welfare and liberal compensation of our labor is honorable in the eyes of every American citizen; and as it lies at the foundation of our development and progress, it is entitled, without affectation or hypocrisy, to the utmost regard. The standard of our laborer's life should not be measured by that of any other country less favored, and they are entitled to their full share of our advantages. By the last census it is made to appear that of the 17,302,000 of our population engaged in all kinds of industries, 7,070,403 are employed in agriculture, 4,074,238 in professional and personal service, (2,924,576 of whom are domestic servants and laborers), while 1,810,550 are employed in trade and transportation, and 3,557,112 are classed as employed in manufacturing and mining.

For present purposes, however, the last number given should be considerably reduced. Without attempting to enumerate all, it will be conceded that there should be deducted from those which include 678-143 carpenters and joiners, 285,401 milliners, dressmakers and seamstresses; 172,730 blacksmiths, 133,756 tailors and tailoresses, 109,470 masons, 76,841 butchers, 41,399 bakers, 34,033 plasterers, and 4,811 engaged in manufacturing agricultural implements, amounting in the aggregate to 1,414,038, leaving 3,656,365 persons employed in such manufacturing industries, as are claimed to be benefited by a high tariff. To these the appeal is made to save their employment, and maintain their wages, by resisting a change.

There should be no disposition to answer such suggestions by the allegation that they are in a minority among those who labor, and therefore should forego an advantage, in the interests of low prices for the majority; their compensation, as it may be affected by the operation of tariff laws, should at all times be scrupulously kept in view; and yet, with slight repetition, they will not overlook the fact that they are consumers with the rest that they, too, have their own wants and those of their families to supply from the earnings, and that the price of the necessities of life as well as the amount of their wages, will regulate the measure of their welfare and comfort. But the reduction of taxation demanded should be so measured as not to necessitate or justify the loss of employment by the working man, nor lessen his wages, the profits still remaining to the manufacturer, after a necessary readjustment should furnish no excuse for the sacrifice of the interest of his employees either in their opportunity to work or in the diminution of their compensation. Nor can the worker in manufacturing fail to understand that while a high tariff is claimed to be necessary to allow the payment of remunerative wages it certainly resulted in a very large increase in the price of nearly all sorts of manufactures, which, in almost countless forms, he needs for the use of himself and his family. He receives at the desk of his employer his wages, and perhaps before he reaches his home is obliged in a purchase for family use of an article which embraces his own labor, to return in the payment of the increase in price which the tariff permits the hard earned compensation of many days of toil.

The farmer and the agriculturalist, who manufacture nothing but who pay the increased price which the tariff imposes, upon every agricultural implement, upon all he wears and upon all he uses and owns, except the increase of his flocks and herds, and such things as in his husbandry produce from the soil, is invited to aid in maintaining the present situation, and he is told that a high duty on imported wool is necessary for the benefit of those who have sheep to shear, in order that the price of their wool may be increased. They, of course, are not reminded that the farmer who has no sheep in this scheme obliged, in his purchases of clothing and woolen goods, to pay a tribute to his fellow farmer as well as to the manufacturer and merchant; nor is any mention made of the fact that the sheep owners themselves and their households, must wear clothing and use other articles manufactured from the wool. They sell at tariff prices and thus as consumers must return their share of this increased price to the trader.

I think it may be fairly assumed that a large proportion of the sheep owned by the farmers throughout the country are found in small flocks numbering from twenty-five to fifty. The duty on this grade of imported wool which these sheep yield is ten cents each pound if of the value of thirty cents or less, and twelve cents if of the value of more than thirty cents. If the liberal estimate of six pounds be allowed for each fleece, the duty thereon would be sixty or seventy-two cents, and this may be taken as the utmost enhancement of its price to the farmer by reason of this duty. Eighteen dollars would thus represent the increased price of the wool from twenty-five sheep and 63¢ that from its wool of fifty sheep; and at present value this addition would amount to about one-third of its price. If upon its sale the farmer receives this or a less tariff profit, the wool leaves his hands charged with precisely that sum, which in all its changes will adhere to it, until it reaches the consumer. When manufactured into cloth and other goods and material for use its cost is not only increased to the extent of the farmer's tariff profit, but a further sum has been added for the benefit of the manufacturer under the operation of other tariff laws.

In the meantime the day arrives when the farmers find it necessary to purchase woolen goods and material to clothe himself and family for the winter. When he faces the tradesman for that purpose he discovers that he is obliged not only to return in the way of increased price, his tariff profit on the wool he sold, and which then perhaps lies before him in manufactured form, but that he must add a considerable sum thereto to meet a further increase in cost caused by a tariff duty on the manufacture. Thus in the end he is aroused to the fact that he has